Fire in IOC oil depots

751. SHRI DATTA MEGHE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that a fire broke out in the oil depots of the Indian Oil Corporation at Rajbandh near Durgapuron 3rd June, 2004 and at Baitalpur near Deoria on 30th June, 2004;

(b) if of, the details thereof and the reasons therefor;

(c) the loss of life and property suffered as a result of these fires; and

(d) the remedial measures, if any, taken by Government to check such incidents in future?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. Fire broke out in the oil depots of Indian Oil Corporation Limited at Rajbandh near Durgapur on 3rd June, 2004 and at Baitalpur near Deoria on 30th June, 2004. Fire at Rajbandh was due to lightening strike. The cause of fire at Baitalpur is being investigated.

(c) At Rajbandh, there was no loss of human life or injury due to the said fire, 360 Kilo Litre (KL) of petrol was lost and the tank in which it was stored has been damaged. At Baitalpur, one officer, who received severe burn injury, expired. Around 41 KL petrol and 9 KL kerosene was lost. This apart, the replacement cost of the tank is estimated around Rs. 20 lacs.

(d) The fire was extinguished at both places by utilizing in-house fire fighting facilities which were fully operational for combating and controlling the fire. Disaster Management Plan was also activated for Mutual Aid. Fire fighting facilities at Rajbandh depot is being upgraded. Remedial action for Baitalpur depot will be taken once investigation into the fire incident is complete.

Establishment of Global Oil Company

†752. SHRIMATI MAYA SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Indian Oil Corporation is considering to set up **a** Global Oil Company for exploring oil in foreign countries to enter the global market;

(b) if so, the modalities being considered for this; and

†Original notice of the question was received in Hindi.

(c) what progress has, so far, been made in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The Board of Directors of the Indian Oil Corporation Limited (IOC) has accorded approval, in principle, for acquisition of a suitable overseas medium-sized Exploration & Production (E&P) company in order to strengthen the Corporation's E&P business. However, the process of acquisition of such a company involves, among other things, identification and evaluation of a suitable target company which will provide IOC sufficient leverage in achieving its E&P business, as also negotiation with that company. This also involves availing of the assistance of international adviser (s) of repute, for which approval of the Board of Directors of IOC has also been obtained. IOC has initiated the process for appointment of such advisers. The acquisition of the E&P company is subject to the approval of the Government.

ONGC Videsh's Sudan project

753. SHRI S.P.M. SYED KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have approved a pipeline project by ONGC Videsh Ltd. in Sudan;

(b) if so, the details thereof;

(c) whether Government have exempted the OVL from taking political risk insurance even though it has been suggested by the Finance Ministry while approving the project; and

(d) the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. On 24.6.2004 Government accorded approval to ONGC-Videsh Limited (OVL) for undertaking construction and associated works of a 12 inch diameter 741 Km. onland multiproduct pipeline from Khartoum refinery to Port-Sudan on turn-key basis, at an estimated cost not exceeding US$ 200 million.

(c) and (d) OVL has been advised to protect their overseas recourse investment through an appropriate insurance mechanism.